

## Message Text

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13

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05 SS-15 STR-01

CEA-01 AGR-05 /068 W

----- 034431

R 292318Z NOV 74

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5130

INFO AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN SALVADOR

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

LIMITED OFFICIAL USE GUATEMALA 6508

E.O. 11652: N/A

TAGS: ETRD, ECIN, XK, GT

SUBJECT: CACM TRADE STRESSES

REF: SAN SALVADOR 4719 AND RELATED

1. MINECON PALOMO, IN PRIVATE CONVERSATION WITH EMBOFF NOV. 29, PLAYED DOWN SIGNIFICANCE RECENT GON AND SUBSEQUENT GOES AND GOCR INTRA CACM TRADE RESTRICTIONS. HE SUGGESTED THAT SOMOZA HAD A TWO-FOLD REASON FOR IMPOSING RESTRICTIONS: FIRST, "TO GIVE THE NICA BUSINESSMEN A CHRISTMAS PRESENT" AND, SECOND, TO SET THE STAGE FOR A SETTLEMENT TO BE REACHED DURING HIS INAUGURATION. BY SETTLING A SELF-GENERATED TRADE CRISIS, SOMOZA, ACCORDING TO PALOMO, WOULD PROVE HIMSELF TO BE THE GREAT "CENTROAMERICANISTA". WHATEVER THE EXPLANATION, PALOMO, AND THUS THE GOG, OBVIOUSLY ISN'T LAYING AWAKE NIGHTS WORRYING ABOUT THE PROBLEM. TAKEN AGAINST THE BACKDROP OF THESE PRIVATE REMARKS, PRES. LAUGERUD'S WARNINGS ISSUED IN SAN SALVADOR ABOUT POSSIBLE GOG REPRISALS WOULD SEEM

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TO HAVE BEEN INTENDED FOR INTERNAL CONSUMPTION.

2. COMMENT: EMBASSY GENERALLY SHARES PALOMO'S CYNICAL AND/  
OR OPTIMISTIC VIEWS. THE CACM HAS BEEN HERE BEFORE.  
DECONTROL AFTER 11/29/76.  
MELOY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE CONTROLS, ECONOMIC PROGRAMS, DIPLOMATIC DISCUSSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974GUATEM06508  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740347-0865  
**From:** GUATEMALA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974114/aaaaacqn.tel  
**Line Count:** 66  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** SAN SALVADOR 4719 AND RELATED  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2002 by boyleja>; APPROVED <12 DEC 2002 by MorefiRH>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CACM TRADE STRESSES  
**TAGS:** ETRD, ECIN, XK, GT, CACM, (PALOMO), (SOMOZA)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005